WEEKLY ECONOMIC REVIEW

April 21, 2006

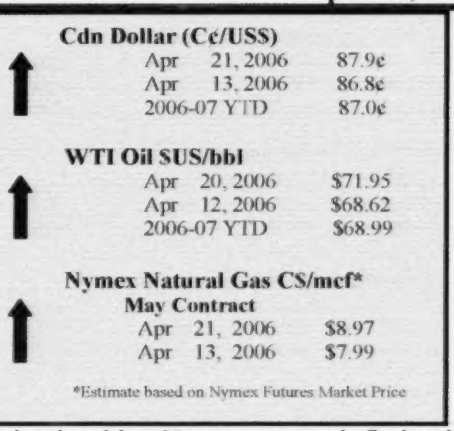
Following a series of record closings during the start of the week, oil prices closed at US$71.95/bbl on April 20th. Ongoing worries over Iran's nuclear program and lower US weekly inventory data increased concerns about the adequacy of gasoline supplies over the summer.

Despite higher crude oil prices, global growth appears to be accelerating this year. The IMF revised its world economic growth to 4.9 per cent in 2006, up 0.6 percentage points from its previous forecast.

Consumer spending in Alberta shows no signs of slowing. Motor vehicles sales in the province increased by 2.7 per cent in February from the previous month, compared to weaker sales in Canada and the United States. Retail sales in the first two months of 2006 rose by an impressive 15.6 per cent over the same period in 2005.

With continued strong growth, the Alberta consumer price index (CPI) in March advanced by 0.6 per cent from the previous month and by 3.2 per cent over the same month in 2005. Although Canadian CPI inflation rose in March, core prices remained stable. However, core inflation in the United States edged up, increasing by 0.3 per cent from February, the largest one-month gain in nearly four years. With continued strong global growth, persistent inflationary concerns are likely to encourage monetary authorities to increase policy interest rates over the coming months.

Rising energy prices and inflationary worries increased gold prices to a 25-year high during the week. High commodity prices and prospects of rising interest rates lifted the Canadian dollar this week.



Economic Indicators Released this Week	Reference Period	Month/Previous Month	Month/Previous Year's Month	Year-to-date[1]
Consumer Price Index (1997=100)	**March**			
Alberta	137.0	0.6%	3.2%	3.5%
Canada	129.3	0.5%	2.2%	2.4%
United States (1982-84=100)	199.8	0.4%	3.4%	3.6%
Wholesale Trade ($ Millions)	**February**			
Alberta	5,016	1.2%	15.9%	16.9%
Canada	40,992	-1.1%	6.9%	8.4%
Retail Trade ($ Millions)	**February**			
Alberta	4,454	1.4%	14.9%	15.6%
Canada	31,599	-0.4%	4.6%	5.6%
New Motor Vehicle Sales	**February**			
Alberta	20,704	2.7%	14.1%	18.3%
Canada	136,767	-0.4%	-3.9%	1.7%

Source: Statistics Canada and U.S. Bureau of Labour Statistics

[1] Year-to-date 2006 compared to the same time period in 2005. For example: January-February 2006 versus January-February 2005